

practices that enable us to build those forces. The Governmental Affairs Committee can act in several respects to improve these structural arrangements. I will try to outline three this morning: budgeting and programming; procurement; and hardware testing. The particular recommendations I will offer address the problems of better cost estimation and control, thoroughgoing competition, and rigorous operational testing.

The keynote to all structural concerns is the ability, or not, to achieve plans. One need not posit a perfect world to suggest that if plans for improvements are consistently and significantly unmet, something is fundamentally wrong. The Defense Department's most authoritative planning document -- the only document that depicts DON's decisions and plans for its programs -- is the Five Year Defense Program, or "FYDP." The salient fact about any given FYDP is that almost invariably its projections about the outyears -- especially the 3rd, 4th, and 5th years -- do not come to pass. Projected annual quantities are not reached, and costs soar higher than predicted and budgeted for.

A major problem for Congress and the public in their attempt to understand what is happening in defense is that we have very little opportunity to judge the progress (or shortfalls) in DON's plans. The 5-year projections of quantity to be bought and costs, which are unclassified in most instances, are not made available to us. A healthy development in this respect was the demand by Congress in the mid-1970s to see the Navy's 5-year shipbuilding plans. Members finally realized they could not make sense of annual budget, authorization, and appropriation actions in the absence of a perspective on the fleet their decisions were shaping.